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7 October 1952

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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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GENERAL

1. French susceptible to Soviet demands on Austrian treaty: An official [REDACTED] reported that in a 27 September conversation with a Soviet official the latter argued that "the Soviet Government was forced to reject the short Austrian treaty," but that once it was withdrawn, negotiations for a long draft treaty could be completed quickly.

The American Ambassador believes this conversation indicates that the USSR is aware that the French are the least enthusiastic of the Western powers over the short treaty; and that Soviet efforts to obtain its withdrawal will therefore be concentrated on them. (S Vienna 945, 4 Oct 52)

Comment: Since the Soviet note of 27 September which completely rejected Western proposals for an abridged treaty, the French have appeared willing to accept Soviet insistence upon the old draft treaty. They apparently assume that the United States will undertake the financial burdens of Austrian compensation to the USSR.

2. Soviet refusal to negotiate long-term grain contract seen as retaliation for British position on rubber exports: The British Foreign Office believes that the Soviet Union has negotiated only a short-term grain contract with Britain at this time because of Britain's refusal to give firm advance commitments on next year's rubber exports. The grain contract will expire in January, at about the same time as British rubber commitments, thus enabling the USSR to counter British requests for Russian grain with simultaneous demands for increased rubber shipments.

Britain has not increased its rubber commitments beyond its 18,000-ton quota for this year. As a result of heavy shipments early in the year, licenses for rubber exports for the fourth quarter of 1952 will be far below the level of the first six months. (C London 1879, 1 Oct 52)

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SECRET

Comment: The short-term contract, which has been referred to Moscow for approval, calls for the shipment of 200,000 tons of grain over a four-month period as compared to the 1951-1952 annual rate of 1,000,000 tons.

SOVIET UNION

3. Status of Ukrainian harvest reported: American Embassy personnel recently returned to Moscow from Odessa report that the Ukrainian harvest of winter and early spring grain has been completed. Losses which had been anticipated from flattening of grain by the weather now seem negligible. Millet, corn and sugar beets are in the process of being harvested, with a fair crop expected. Farther north, spring grains remain partially unharvested, while winter sowings appear satisfactory in all areas.

Speculation over the failure to announce the fulfillment of compulsory grain deliveries has increased, since activity at most Ukrainian grain procurement points has ceased and most of the grain harvest in the southern regions has been successfully completed. (C Moscow 591, 1 Oct 52)

Comment: It now appears that the Ukrainian grain crop will approximate normal yields in spite of the late spring and difficult harvesting conditions. The protracted delay in announcing the fulfillment of compulsory grain deliveries may be due to a decision to withhold such information until it can be fully publicized at the current party congress.

EASTERN EUROPE

4. Interdenominational peace conference held in Sofia: A "national interdenominational peace conference" was held in Sofia on 5 October. Delegates of all religious denominations in Bulgaria were present at the meeting, which was convened on the initiative of the Bulgarian Orthodox Church. A "representative of Catholics in Bulgaria" delivered a speech condemning "the criminal actions of a group of Catholic priests," and stated that "all honest Catholics in Bulgaria are on the side of peace and will make every effort to preserve it." (R FBIS Ticker, [REDACTED] 5 Oct 52) STATSPEC

Comment: The Communist-dominated Orthodox Church has for some time been a useful propaganda instrument in the hands of the regime. The convention of the interdenominational peace confer-

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ence reflects the success of Bulgarian efforts to usurp control of other religious groups for similar propaganda purposes.

The policy of cutting off churches from foreign contacts, as set forth in the 1949 "Law for the Cults," was brought to its culmination on 3 October with the conviction and sentencing in Sofia of a group of alleged Catholic "spies." A group of Protestant pastors was similarly convicted and sentenced in 1949.

5. Russians sell 69 former German companies to Hungary: On 3 October the Hungarian press announced the signing of an agreement between Hungary and the USSR for the sale to Hungary of 69 Soviet enterprises in that country formerly owned by Germans. Joint Soviet-Hungarian companies, which dominate the key oil, aluminum, bauxite, shipping and air transport industries, will continue to operate under former agreements.

The American Legation in Budapest reports that the Soviet Union had originally seized over 200 German firms and that virtually all either have now been sold to Hungary or are jointly operated by the USSR and Hungary.

The Legation believes that Hungary will have to pay for these firms by increasing exports to the USSR to offset the end of reparations payments next January, and that it has had to agree to greater Soviet control over the joint companies. (R Budapest 314, and 317, 3 Oct 52)

6. Polish troops back in winter quarters: The Polish Army definitely has returned to winter quarters from summer field training and maneuver areas. American Embassy officials report that the army is now being put to work on the late harvest, and on such construction projects as railroads, public buildings and communication lines. (S Warsaw Joint Weeka 92, 3 Oct 52)

Comment: For the second year now, information on the return of Polish units to winter garrison was first available from the Polish press, highlighting the inability of Western officials in Poland to secure reliable warning of troop movements.

7. Church episcopate directs Catholics to vote in Polish elections: The episcopate of the Catholic Church in Poland has declared in a public statement that it is a moral duty for Poles to vote in the forthcoming elections. According to the statement, participation in the elections will enable Poles to express support for the consolidation of internal unity and the safeguarding of peace, and

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SECRET

also to acknowledge that the common efforts of all citizens are needed by Poland for reconstruction and for the defense of Polish rights to the "recovered territories." In addition, the declaration states that Poles will be able to express their faith that the principles of the church-state agreement of April 1950 will be observed in the work of the new Sejm.

U.S. Embassy officials in Warsaw comment that this is apparently another effort of the church to achieve a modus vivendi with the state without sacrificing basic principles. They add, however, that the official Communist newspaper currently continues to attack Vatican support for German revisionists. (S Warsaw Joint Weeka 92, 3 Oct 52)

Comment: The statement by the episcopate is in accordance with recent articles in the Polish Catholic press which have advocated participation in the elections. While Archbishop Wyszynski has supported the state in non-church matters, he has seriously opposed recent government measures to undermine the church-state agreement.

8. Rumanians reorganize heavy industry administration: The Rumanian Ministry of Metallurgical and Chemical Industries has been divided into two new ministries, one for each industry. (C Bucharest 110, 3 Oct 52)

Comment: This split follows a similar division of the Ministry of Petroleum and Coal Industries in late August and copies the Soviet pattern of breaking down economic ministries according to specific expanding industries. It also reflects the increasing build-up of Rumanian industry with the aid of other more industrialized Satellites. In June a joint Rumanian-Hungarian chemical company was set up, and in September a joint company was formed with East Germany for exploiting Rumania's chemical resources.

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FAR EAST

9. Soviet aircraft penetrates deep into Japanese territory: Radar plots indicate that two aircraft, presumably Soviet, on 1 October overflew northeastern Hokkaido, one penetrating to a depth of 55 miles. This aircraft flew southward as far as Kushiro in the deepest overflight of Japanese territory yet noted. The other plane reached the vicinity of the radar site at Nemuro in a possible test of US tracking capabilities. (S FEAF INTSUM 829, AX1405C, 3 Oct 52)

Comment: These overflights, together with those of 20 and 24 September, suggest initiation of a Soviet air reconnaissance program in the Hokkaido area.

10. Communist jets in combat over eastern Korea: On 4 October US Navy conventional fighter-bombers, raiding an airfield near Hamhung in eastern Korea, were unexpectedly attacked by four Communist MIG-15's. One US aircraft was shot down during the 90-second encounter and the enemy jet departed northward unscathed.

American pilots claim to have heard Chinese-language radio chatter during the encounter and have stated that the enemy was under "positive GCI control prior to and during the attack." (S CINCFE Telecon 6209, 5 Oct; R COMNAVFE OPINTSUM 1186, 4 Oct 52)

Comment: The brief duration of the encounter, in addition to pilot reports and observations, supports the belief that the Communist GCI network, reported in northwestern Korea, has been expanded to eastern Korea. It is probable that the enemy jets were from fields in Manchuria.

Although an isolated incident, it is possible that this attack may be the forerunner of an enemy effort to afford a degree of air cover to the long, vulnerable, east coast supply line. Previously UN pilots have had to contend only with antiaircraft fire in this area.

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11. Mongolian troops reported in North Korea: [REDACTED], who claims to have talked with a Mongolian officer, reported that 1,200 Mongolian cavalry troops moved from central Korea to a position near the western front in late September. [REDACTED]

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Comment: The solidarity of the Communist Far East has been emphasized in recent weeks, with Sino-Mongolian relations given prominence. Although to date, Mongolia's part in the Korean conflict has been minimal, consisting of contributions of food, clothing and livestock and promises of "assistance," it is possible that in line with recent developments a token force of Mongol cavalry has been sent to Korea.

The presence of Mongolian troops in Korea has often been reported in the past but has not yet been confirmed.

12. Russian article refers to China's first Five Year Plan: Excerpts from a Pravda article broadcast by Radio Moscow on 1 October included the statement that the "outlines of the first Five Year Plan for the economic and cultural development of China are now being elaborated on the initiative of the Communist Party of China." (R FBIS [REDACTED] 3 Oct 52) STATSPEC

Comment: Peiping has not announced an over-all Five Year Plan for China, although such plans have been prepared for certain sectors of the economy, for example, the Five Year Irrigation Plan in the Central-South District. A comprehensive economic plan in China is foreshadowed by the study now being undertaken of the production capacity of the country's machine factories.

13. Peiping-Colombo agreement guarantees continued rubber sales to China: Radio Peiping announced that the governments of Ceylon and Communist China signed a trade agreement in Peiping on 4 October. China is to ship 80,000 tons of rice "within a short period" to ease Ceylon's food shortage, and in return the government of Ceylon guarantees that Peiping will be able to use the proceeds from its rice exports to buy rubber on the Ceylon market. (R FBIS [REDACTED] 5 Oct 52) STATSPEC

Comment: Ceylon, China's principal source of raw rubber for the past year, has been under pressure from the United States to stop such trade. This agreement will insure for Communist China continued availability of Ceylonese rubber.

14. Communists flood Hong Kong market with China products: The Chinese Communists have been flooding Hong Kong with goods in the past six weeks, and August shipments to the colony have reached a record high for the year. Hong Kong

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traders are of the opinion that the Communists have abandoned their hopes of forcing up world prices and are now willing to clear their stocks to obtain foreign exchange. (R Hong Kong 875, Joint Weeka 40, 3 Oct 52)

Comment: Observers from the Communist mainland have reported a scarcity of warehouse space to accommodate the backlog of unshipped cargo. With the end of Peiping's anti-vices campaign against the bourgeoisie, it was expected that business would improve and merchants would succeed in moving their inventories.

15. Nationalists tell mainland guerrillas invasion plans almost completed: The Political Department of the Ministry of National Defense, headed by the Generalissimo's elder son Chiang Ching-kuo, in an open letter to the mainland guerrillas, declared that preparations for an attack on the mainland are almost completed.

The Kuomintang's Central Daily News on 22 September said the Korean hostilities were only part of the global war against Communism. The possible use of Nationalist troops in Korea, therefore, was only a side issue, since they also had the burden of retaking the China mainland. The article implied that the troops should be reserved for the counter-offensive. (C Taipei Joint Weeka 40, 3 Oct 52)

Comment: Chiang Ching-kuo has stated that the Nationalists can be ready to launch an attack on the mainland in six months if the United States provides air and naval support.

The failure of the Kuomintang in the past to live up to its claims of invading the mainland has reportedly caused the people there to lose faith.

SOUTHEAST ASIA

16. Six foreign Communists present at Indonesian labor conference: A national conference of SOBSI, Indonesia's Communist-led and largest labor federation, opened on 27 September for the announced purpose of "consolidating SOBSI, expanding labor and national fronts, and tightening SOBSI-WFTU contacts." Present at the conference were two

SECRET

7 Oct 52

SECRET

representatives of the WFTU and two Communist leaders each from the Netherlands and Australia. The American Embassy comments that the congress probably resulted from pressure by WFTU headquarters, which has expressed disappointment over the lack of contact with Indonesia. (C Djakarta 626, 3 Oct 52)

17. Burmese Communists reported expanding activities into Shan State: The Burmese Home Minister stated in parliament that a state of emergency had been declared in the Shan State because of insecurity in the area. The American Embassy in Rangoon has been informed that martial law will probably be declared in the vicinity of Lashio along the Chinese border and in the southern part of the Shan State. The Embassy comments that this action was probably motivated by a combination of rumors that Chinese-trained subversives were filtering into the Shan State and of army pressure forcing local Communists northward. (C Rangoon 544, 3 Oct 52)

Comment: The Shan State has heretofore been relatively peaceful. However, the shortage of Government security forces there has made it an attractive area for penetration by Communists from both China and lower Burma.

SOUTH ASIA

18. Independent home guard reportedly formed in Indian Kashmir: [redacted] in New Delhi forwards a report that at least one home guard battalion was formed in Indian-held Kashmir between May and August. The new guard is composed entirely of Kashmiri Hindus. It is said to be distinct from the Kashmir militia and the state police, and is not controlled by the Indian army.

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Guard units operate independently along the cease-fire line between Indian-held and Pakistani-controlled Kashmir and Indian army commanders resent their activities. The guard apparently has intelligence contacts in Pakistani territory. [redacted] 1 Aug 52)

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Comment: Since the Kashmir militia is now controlled by the Indian army, the organization of a home guard would appear to be an unpublicized attempt by Sheikh Abdullah, who favors the independence of Kashmir, to develop an indigenous armed force completely independent of Indian influence.

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NEAR EAST - AFRICA

19. France is considering alternate solution to Tunisian question: [REDACTED] President Auriol and Prime Minister Pinay are considering asking the Tunisian Government to present its case to the High Council of the French Union on condition that if an agreement is reached, Tunisia will request the Arab-Asian group to withdraw the case from the UN agenda.

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[REDACTED] a previous plan of Auriol's to settle the question was blocked by Foreign Minister Schuman on the advice of the Minister of State for Foreign Affairs and Senator Colonna of Tunisia. [REDACTED]

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Comment: Settlement in the High Council would be unlikely because French colonists in Tunisia will continue to exert pressure on Paris to make no concessions. It is difficult to envisage a Tunisian delegation which would be acceptable both to the colonists and to the nationalists.

20. Moroccan chieftain's visit to UN may be to support France:

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[REDACTED] Hadj Thami el Glaoui, Pasha of Marrakech, will visit the United States this month at the request of the French Residency General in Rabat as a "spontaneous volunteer" witness for the French thesis in the event of UN discussion about Morocco. [REDACTED]

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Comment: El Glaoui is reportedly a member of a nationalist delegation which will attend UN hearings on Arab-Asian charges of French excesses in Morocco. Another report from Tangier that El Glaoui had broken with the Residency General may have been inspired by the French to add credence to any statements which he is likely to make in support of France.

21. American acceptance of Moroccan entertainment protested: The French Residency General in Rabat has strongly protested the acceptance by American naval personnel of invitations to luncheon and tea with a prominent Moroccan family residing in Tangier on the grounds that nationalists will also be present.

SECRET

7 Oct 52

SECRET

A heavy entertainment schedule has been arranged for the visiting naval units, and American officials consider the Moroccan invitation a nonpolitical, goodwill gesture. (S Tangier 138, 2 Oct 52)

Comment: This protest is reminiscent of the Resident General's denunciation of the American Consul in Rabat in October 1951. At that time the Resident threatened to ask for the Consul's recall if he continued to see nationalists.

22. Kenya legislates against tribal secret society: On 1 October the Kenya legislature approved sweeping emergency measures aimed at destroying the Mau Mau secret society which in its effort to drive European settlers from the country has been responsible for the murder of at least 20 whites and Africans in this British colony. The Colonial Office has agreed to these legislative measures and they will be enforced immediately. They provide for rigid restriction of the movements of the society's members, control of the press, registration of non-labor societies, permission for the legal use of confessions to the police, and a vast increase in the penalties for sedition. (R FBIS London, 1 Oct 52)

Comment: This native secret society was formed in 1947 to awaken the largest tribe in Kenya to the dangers of increased European landholding. The Mau Mau maintains its secret identity by oath-taking ceremonies and terrorization of the tribal population. Since a curfew was imposed by the government in August, violence against white settlers has increased.

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SECRET

WESTERN EUROPE

23. East German statements on Rothensee ship-lift reportedly forbidden: East German waterway officials have reportedly been forbidden to discuss the key Rothensee ship-lift on the Mittelland Canal with West Germans or the Allies.

This report, together with an earlier East German statement that repairs on the lift had been completed so that it could be opened on 28 September, has led HICOG officials to believe that the lift may be being kept closed for political reasons. (C Bonn 1500, 4 Oct 52)

Comment: Various reports have indicated that the Rothensee lift, closed on 1 August 1952, did in fact need repairs, although the total work was supposed to take only four weeks.

24. Chuikov note seen as attempt to justify new Berlin harassment: HICOG officials in Bonn believe that the recent note from Soviet General Chuikov to the Allied High Commissioners reflects Soviet concern over Allied charges against the Communist kidnapping of Dr. Linse and was designed to justify both past and future measures aimed at isolating West Berlin. The note is seen as also reflecting concern that various anti-Communist groups in Berlin are effectively hampering Communist efforts to consolidate control over East Germany.

In demanding that the cited anti-Communist groups be banned by the Allies, the USSR may also be trying to plant the idea that Linse might be freed in return, and to take advantage of certain West German and West Berlin opposition, particularly in church circles, to the activities of West Berlin resistance organizations. (S Bonn 1507, 5 Oct 52)

25. West Germans may not reply to East German unity proposals: The West German Bundestag is not considering a direct communication to the East German government in reply to the unity proposals brought to Bonn by the Volkskammer delegation on 19 September. American representatives in Bonn state that although there is some disagreement among the deputies, the most the Bundestag will do is pass a resolution declaring that direct negotiations with the puppet East German regime are out of the question.

The Social Democrats are opposed to such a resolution, preferring to let the matter die a natural death. (C Bonn 1492, 3 Oct 52)

SECRET

SECRET

Comment: The Volkskammer letter asked the Bundestag to send a delegation to Berlin for further unity discussions, and suggested simultaneous discussions of various items on the unity agenda. Elements in the coalition parties were revealed as welcoming the East German visit to Bonn, but their attitude toward the proposals has not been clarified.

26. West German Socialists hold aloof from EDC work for "consistency": Although Bonn coalition leaders are disappointed by the decision of the Social Democratic Party (SPD) not to participate in the work of the EDC ad hoc assembly, the party's leaders, including Chairman Ollenhauer admit privately that they will participate after the EDC treaty goes into effect. They explain that they must appear consistent in their opposition to EDC, and are therefore reluctant to help French ratification.

HICOG believes that if European integration plans succeed, the SPD may decide in a relatively short time to discard its policy on integration, so that its shift will not come so close to next year's election as to be embarrassing. On the other hand, if integration plans seem to be failing, the party may increase its propaganda against "Little Europe."

As a result of two meetings between Ollenhauer and Chancellor Adenauer, a "change of atmosphere" is already noticeable in Bonn. (C Bonn 1493, 3 Oct 52)

27. West German Socialist evidence of French-Soviet talks held unconvincing: Chancellor Adenauer, who had asked for the evidence on which West German Socialist Wehner based his charges of French-Soviet negotiations to preserve the status quo in Germany, now states that Wehner has failed to produce "anything serious" in the way of documentation.

To "support" his charges, Wehner merely referred with suspicion to contacts of French officials with Soviet representatives in Moscow and Berlin, to alleged contacts in Switzerland, to pro-Soviet remarks of a French labor leader, and to the Soviet unity notes, which he considers directed mainly at France. Wehner also noted the continued existence of the French-Soviet pact of 1944, and his suspicion that the USSR will relax tension in Europe to make Germany appear the main danger to France. (S Bonn 1505, 4 Oct 52; C Bonn 1498, 4 Oct 52)

Comment: Wehner's charges seem to spring chiefly from the Social Democratic fear that France will always oppose the

SECRET

SECRET

unification of Germany. French Foreign Minister Schuman has told Adenauer that the Frenchmen at the meeting in Switzerland were Communists.

28. Austrian position held "deteriorated" during last year: American Embassy and MSA officials in Vienna acknowledge that the political-economic situation in Austria has weakened in the last year and is in some respects alarming. Mounting discouragement over the stalemated state treaty discussions, friction within the coalition government, a high foreign trade deficit, and greater acceptance in some quarters of East-West trade propaganda are cited as evidence of this deterioration.

Although inflation has been "substantially arrested," these officials believe that the more immediate and discouraging problem is the maintenance of "tenuous stabilization" in the face of the politically difficult problem of unemployment. They are hopeful that Soviet efforts to exploit this basic instability will be defeated by unfavorable public reaction to continued Soviet intervention in Austrian domestic affairs. (C Vienna TOMUS 205, 3 Oct 52)

Comment: Forthcoming national elections are expected to make decisive Austrian action in meeting economic problems still more difficult. The outlook for a noninflationary budget, improved credit controls, and firm action against restrictive business practices is still not considered bright.

29. Schuman's vulnerability on Tunisia stressed: Henri Teitgen, the Popular Republican leader in the French National Assembly, warns that unless Foreign Minister Schuman can demonstrate that the United States is solidly behind France in the UN on the Tunisian question, he will probably be forced out of office. Teitgen, who anticipates a foreign policy debate soon after the Assembly reconvenes on 7 October, states that without Schuman the French Government could probably not carry out his European integration policies. (C Paris 2079, 4 Oct 52)

Comment: In any parliamentary showdown on Schuman's Tunisian policy, his critics would probably be joined by opponents of European integration who are unwilling to tip their hand on that issue, and by deputies who prefer an oblique attack on Premier Pinay's economic policies.

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30. Italian Government to crack down on Communists in Sicily: The Italian Government is initiating a more aggressive policy toward Communists in Sicily. According to a reliable report, the prefects of Palermo and Trapani will soon be replaced by officials better equipped to deal forcefully with subversive activities of the extreme left in these provinces.

A number of retired and separated Italian army officers are allegedly prepared to take over command of the Communist clandestine armed groups. (C Palermo 45, 2 Oct 52)

Comment: This is the first indication of government concern over Communist clandestine activities in Sicily. The government may be intending to use the island as a test case in order to refute charges of the right that it is unable to check Communism.

It has long been known that a considerable number of Italian army officers of reserve or retired status are pro-Communist in their sympathies.

31. Bevan's success at party conference seen benefiting British Labor moderates: The American Embassy in London believes that the long-term effects of the British Labor Party conference may be good if the moderate leaders now concentrate on educating the rank and file and working out a constructive policy as an alternative to Bevanism. The official party leadership has been "jolted" out of its complacency and will be urged and aided by trade union leaders to reassert its control of the party. The Embassy notes that Attlee's seemingly apathetic attitude engendered some resentment among the delegates while both Morrison and Gaitskell emerged from the conference with added prestige.

For the immediate future, the Embassy considers that the Bevanites will exert more influence on party policies. However, if they should gain two or three seats in the opposition's shadow cabinet, they would probably be forced to assume responsibility for a "coalition" Labor policy. (R London 1984, 4 Oct 52)

LATIN AMERICA

32. Bolivian officials do not expect mass disturbances to accompany tin nationalization: After consulting with Bolivian

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government officials and mining technicians, the American Embassy in La Paz is inclined to discount a rumor that the miners may attempt mass seizure of the "big three" tin mines when nationalization is announced. Some disturbances are possible, especially if the miners are harangued by extremist agitators, but the government hopes to keep the situation under control. (C La Paz 108, 2 Oct 52)

Comment: Some extremist labor leaders differ with the government's view that the tin companies should be compensated for expropriation of their properties. They would like to convince the miners that the central labor federation, rather than the government party, brought about nationalization.

Nationalization is expected shortly after the study commission renders its report on 7 October. President Paz recently mentioned 20 October as a probable date.

33. National Directorate of Colombian Liberal Party "recesses": Following the exile on 1 October of Directors Lleras Restrepo and ex-President Alfonso Lopez, the Liberal Party's National Directorate has recessed. (R FBIS [REDACTED] 3 Oct 52)

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Comment: The departure of Colombia's two top liberals was precipitated by the 6 September Conservative mob assault on their homes. The recess of the Directorate, which leaves no Liberal Party organization for the Urdaneta administration to deal with, is further proof of Colombia's deteriorating political situation.

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37

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SOUTHEAST ASIA

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1. Indonesian Cabinet crisis reported imminent:

[REDACTED] a cabinet crisis in Indonesia is imminent. The largest party in the country, the Masjumi, has decided to withdraw support from the Minister of Defense if he, in turn, refuses to discharge the Chief of Staff of the Armed Forces. The National Party, Indonesia's second largest political organization, is willing to cooperate with the Masjumi in its proposed action. ([REDACTED])

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[REDACTED] FOR CRITICAL SECURITY REASONS this report is not to be further transmitted within the United States or beyond the borders of the United States without the express permission of the releasing office.)

Comment: The Defense Ministry was subjected to strong, leftist-inspired parliamentary criticism in September. During these attacks, however, neither the Masjumi nor the National Party joined in the censure of the Minister of Defense.

If the report of the Masjumi decision to withdraw support from the Defense Minister is true, there is an imminent possibility of a cabinet crisis or even the fall of the cabinet. However, other information indicates that both the Masjumi and the National Party hope to avoid a cabinet crisis and will support the Minister of Defense on a nonconfidence motion scheduled for 10 October.

WESTERN EUROPE

2. Denmark remains firm towards USSR: Hans Hedtoft, chairman of the Social Democratic Party, has informed the American Ambassador that the chairmen of all political parties in Denmark, with the exception of the Communist, support the

TOP SECRET

TOP SECRET

government's intention not to answer the recent Soviet note for at least a month. The Communists were not consulted.

Hedtoft believes that the Soviet note will help him overcome opposition within his party to the stationing of NATO forces in Denmark. (TS S/S Copenhagen 417, 4 Oct 52)

Comment: The Soviet Deputy Foreign Minister informed the Danish Minister on 1 October that the granting of bases in Denmark would be considered a "threat to the security of the USSR." While the Danish Government has not granted any bases, it plans to construct airfields to NATO specifications and is engaged in educating the public as to the need for ultimately permitting the stationing of NATO air units in Denmark.

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